



**DIB Bank Kenya**

A subsidiary of Dubai Islamic Bank PJSC

## TREASURY MARKET UPDATE 29<sup>TH</sup> NOVEMBER 2023

### DOMESTIC NEWS

The Kenyan shilling KES= edged lower on Tuesday in a thinly traded session amid meagre inflows of foreign currency. At 0940 GMT, commercial banks quoted the shilling at 153.00/153.20 per U.S. dollar, compared with Monday's close of 152.90/153.10. (Refinitiv).

In other news locally The Kenya Shilling's exchange rate depreciation against the US dollar and a tough business environment have continued to drive more listed firms, especially those that rely on imported raw materials, to issue profit alerts.

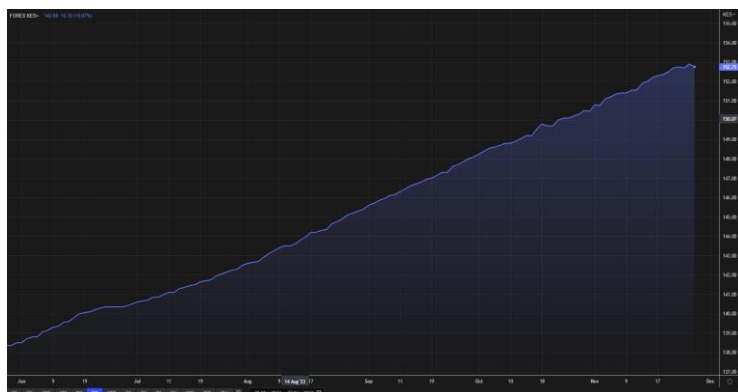
In its statement, WPP ScanGroup Plc said it expects lower earnings in 2023 due to a subdued economic environment that has led to firms cutting down on their advertising, marketing, and communications spending. The media industry has been struggling with Media Edge Interactive Limited and Redhouse Group Limited, leading public relations and marketing communications firms, being the latest casualties after being placed under receivership due to financial problems.

*(Kenya wall street)*

### Indicative Forex Rates

	Buy Cash	Sell Cash	Buy TT	Sell TT
USD/KES	149.10	164.10	149.10	163.60
GBP/KES	190.62	203.62	189.82	204.52
EUR/KES	163.54	177.44	163.84	180.34
AED/KES	37.69	50.69	39.69	51.19

Amounts > 10 million		Amounts >100,000	
KES		USD	
2 Weeks	9.50%	1.50%	
1 Month	9.75%	2.50%	
3 Months	10.00%	3.25%	
6 Months	10.25%	3.50%	
1 year	10.50%	4.25%	



USD movement from August 2023 – Date (Source: Reuters)

### INTERNATIONAL NEWS

The U.S. dollar sank to its lowest in more than three months on Tuesday as investors continued to take the view that growth in the world's largest economy is starting to slow down, with the market starting to price in a rate cut by the first half of the year.

U.S. rate futures were pricing in a 33% chance of a rate cut in March, rising to a roughly 65% probability in May, according to the CME's Fed Watch tool. Those odds were at 21% and roughly 50% late on Monday. The dollar extended losses after Fed Governor Christopher Waller, a hawkish policymaker, flagged a possible rate cut in the months ahead.

The dollar index, which measures its value against six major currencies, fell as far as 102.60, the lowest since mid-August. It was last down 0.3% at 102.82. The index is on track for a loss of 3.6% in November, its worst performance since November 2022.

In other currencies, the euro rose to a 3-1/2-month peak of \$1.1009. It last changed hands at \$1.0981, up 0.3%. Sterling also gained, climbing to its highest since Sept. 1. The pound was last up 0.4% at \$1.2685.

Gold prices rose in Asian trade on Wednesday, reaching a near seven-month high as a string of dovish signals from Federal Reserve officials ramped up bets on an early pivot by the central bank.

A drop in the dollar- to near four-month lows, benefited the yellow metal, as did retreating U.S. Treasury yields. The 10-year rate fell to a two-month low in Asian trade. Spot gold rose 0.1% to \$2,044.08 an ounce, while gold futures expiring in December rose 0.2% to \$2,044.20 an ounce by 23:27 ET (04:37 GMT). Spot prices were now about \$30 away from a record high touched earlier this year.

Oil prices rose in Asian trade on Wednesday, extending gains from the prior session as traders bet on more production cuts being announced at an OPEC+ meeting this week. A weaker dollar, following less hawkish comments from Federal Reserve officials, also aided oil markets, as did supply disruptions in Russian and Kazakh oil exports due to a storm in the Black Sea. Brent oil futures expiring January rose 0.3% to \$81.90 a barrel, while West Texas Intermediate crude futures rose 0.4% to \$76.70 a barrel by 20:38 ET (01:38 GMT). (Reuters)

### Indicative Cross Rates

	Bid	Offer
EUR/USD	1.0801	1.1205
GBP/USD	1.2510	1.2910
USD/ZAR	16.8410	20.8525
USD/AED	3.6524	3.6934
USD/JPY	145.15	149.15

For more details, contact our Treasury staff Mary, Bernard, Joseph & Evelyn on Tel +254 20 5131311, DL +254 20 513 1354/55/51, Cell +254 709913351/52/54. The views expressed here are not solicitation for investment but dealers' own opinion. The bank cannot be held responsible for any losses of whatever nature resulting from action taken based on comments contained in this publication. DIB Bank Kenya Ltd is regulated by the Central Bank of Kenya.